

DEBT SERVICE FUNDS

The debt service requirement for the City and the Redevelopment Agency is \$10,243,657 for fiscal year 2004. This represents a decrease of \$645,582 (5.93%) from the fiscal year 2003 amended budget.

Debt service payments are made from various City and Agency Funds in accordance with the legal documents governing each borrowing. Present debt is in the form of Certificates of Participation, Pension Obligation Bonds, Long Term Notes, Lease-Purchase Obligations, Tax Allocation Refunding Bonds, and Tax Allocation Bonds. Debt has been issued by the City to finance a wide variety of projects, including the construction of the new Public Works Center and the new Police Facility, parking facilities, refurbishment of the Chula Vista Shopping Mall, property acquisitions, building remodeling, and equipment and software acquisition.

Annual debt service costs are borne primarily by the General Fund, with the exception of the Tax Allocation Refunding Bonds and the Tax Allocation Bonds, which are funded by property tax increment revenues in the Redevelopment Agency.

Debt Service Fund Descriptions

Fund 441 - The 1994 Pension Obligation Bonds in the amount of \$16,786,532 were issued to provide funds to pay the City's unfunded liability in the California Public Employees Retirement System. The bonds are a debt of the City General Fund and the City is obligated by Retirement Law to make the bond payments without specification of funds. The term of the bonds is through 2011.

Fund 443 - This is a lease-purchase agreement totaling \$3,509,364 for software, equipment, and installation services for three different projects: Public Safety CAD/MDT System, 800 MHz Communication System, and Heating and Air Conditioning Equipment. The annual lease payments on the first two projects are funded primarily from the Residential Construction Tax Fund, while the HVAC project is funded by utility savings generated by the project in the General Fund. The Agreement term runs through fiscal year 2007 and is currently being reviewed for refunding purposes.

Fund 444 - This is a lease-purchase agreement totaling \$1,749,885 for the City's new Fiscal System. The agreement runs through fiscal year 2008. The annual lease payments are funded from various funding sources. This agreement is currently being reviewed for refunding purposes.

Fund 446 - A January 1994 note payable for \$370,000 to Mr. and Mrs. Adamo as part of the purchase price for property located adjacent to the Civic Center. The term of the note is twenty years.

Fund 447 - This is a lease-purchase agreement totaling \$777,148 for the Library's new integrated system. The agreement runs through fiscal year 2005. The annual lease payments are funded from State Library Grant revenues.

Fund 448 - This is the Certificate of Participation Series A of 2000 in the amount of \$25,255,000. Certificates were issued to provide funds to improve the City's 800 MHZ emergency communication system and to improve the City's Corporation Yard. The term of the Certificates is through the year 2020.

Fund 449 - San Diego County Regional Communication Systems. On March 7, 2000, the Chula Vista City Council authorized the City to join the San Diego County Regional Communications Systems (RCS). The City's portion of the infrastructure is \$2,809,405 plus financing costs. This is payable over a period of 14 years commencing on January 1, 2001 through January 1, 2014.

Fund 450 - 2002 Certificates of Participation – Police Facility Project. In June 2002, the Authority issued the 2002 COP in the amount of \$60,145,000 to finance the construction of the City's new Police Headquarters. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. The term of the certificates is through the year 2032.

Funds 682, 683, 684 - The Redevelopment Agency 1994 Tax Allocation Refunding Bonds, Series A, C and D in the amount of \$28,655,000 were issued to refund the 1986 Tax Allocation Bonds, resulting in lower annual debt service payments. The original bonds were issued to finance improvements in the Bayfront/Town Centre I Project areas. The annual debt service is paid from property tax increment generated in the project areas. The term of the bonds runs through 2024.

Fund 685 - 1993 Refunding Certificates of Participation (Town Centre II Parking Project) were issued in the amount of \$11,285,000 in order to refund a 1987 Certificates of Participation Issue (Series A) resulting in lower annual debt service payments. The term of the Certificates is through the year 2012.

The debt service on the Certificates is funded by capital lease payments from the City's General Fund to the Redevelopment Agency to be repaid from future Redevelopment Agency revenues. The timing of the reimbursement is unfixed. This issue is currently being reviewed for refunding purposes.

Fund 686 - The 1993 Certificates of Participation (Town Centre II Parking Project - Phase II) were issued in the amount of \$3,115,000 to finance the City/Agency's participation in the additional expansion of the Chula Vista Shopping Center. The term of the Certificates is through the year 2013.

The debt service on the Certificates is funded by capital lease payments from the City's General Fund to the Redevelopment Agency to be repaid from future Redevelopment Agency revenues. This issue is being reviewed for refunding purposes.

Fund 688 - A June 1995 note payable for \$776,071 to Cypress Creek Company in order to provide for reimbursement of the Agency's share of site acquisition costs under a Disposition and Development Agreement for the Palomar Trolley Center. Payments are based on 30% of the sales tax revenues generated by the project until the unpaid principal balance plus accrued interest at 7% per year is paid in full. The source of funding is the General Fund with reimbursement from the Redevelopment Agency with the term unspecified.

Fund 689 - This is the Redevelopment Agency 2000 Tax Allocation Bonds (Merged Redevelopment Project) in the amount of \$17,000,000. The Merged Redevelopment Project was created on August 22, 2000, pursuant to an amendment to the redevelopment plans for the three of the Agency's four existing redevelopment projects, the Town Centre II Project Area, the Otay Valley Project Area and the Southwest Project Area. The Bonds were issued to provide funds for the repayment of certain obligations of the Merged Redevelopment Project and other interfund loans, and for general redevelopment purposes. The term of the Bonds is through the year 2030.

DEBT SERVICE - CITY FUNDS 440

EXPENDITURES

	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 ADOPTED	FY 2005 ADOPTED
Supplies and Services	2,475	2,500	2,500	2,500
Other Expenses	3,729,721	5,349,651	3,879,540	3,939,490
Transfers Out	1,640,000	0	1,000,000	0
EXPENDITURE TOTALS	\$5,372,196	\$5,352,151	\$4,882,040	\$3,941,990

Expenditures by Fund

FUND	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 ADOPTED	FY 2005 ADOPTED
441 1994 Pension Obligation Bond	1,745,910	1,840,935	1,935,935	2,040,935
443 Calcase-CAD/800/HVAC	567,201	2,004,951	536,389	351,305
444 Calcase-Fiscal System	279,404	1,015,981	240,546	240,547
446 Notes Payable Adamo Property	37,980	39,120	40,294	41,503
447 Calcase-Integr Online Library	155,430	155,430	155,429	77,715
449 SD Co. Regional Comm Systems	295,734	295,734	295,734	295,734
451 Long-term Advances DSF - City	2,290,537	0	1,677,713	894,251
EXPENDITURE TOTALS	\$5,372,196	\$5,352,151	\$4,882,040	\$3,941,990

REVENUES

	FY 2002 ACTUAL	FY 2003 PROJECTED	FY 2004 ESTIMATED	FY 2005 ESTIMATED
Use of Money & Property	15,570	12,059	10,844	10,844
Transfers In	3,265,203	3,162,417	4,204,330	3,047,739
REVENUE TOTALS	\$3,280,773	\$3,174,476	\$4,215,174	\$3,058,583

Revenues by Fund

FUND	FY 2002 ACTUAL	FY 2003 PROJECTED	FY 2004 ESTIMATED	FY 2005 ESTIMATED
441 1994 Pension Obligation Bond	1,746,309	1,842,051	1,935,935	2,040,935
443 Calcase-CAD/800/HVAC	580,667	561,895	545,904	360,819
444 Calcase-Fiscal System	280,406	280,153	241,744	241,744
446 Notes Payable Adamo Property	37,981	39,120	40,294	41,503
447 Calcase-Integr Online Library	155,336	155,430	155,430	77,715
449 SD Co. Regional Comm Systems	296,556	295,827	295,867	295,867
451 Long-term Advances DSF - City	183,518	0	1,000,000	0
REVENUE TOTALS	\$3,280,773	\$3,174,476	\$4,215,174	\$3,058,583

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EXPENDITURES

	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 ADOPTED	FY 2005 ADOPTED
Supplies and Services	18,276	30,200	25,700	25,700
Other Expenses	7,021,809	5,728,699	6,346,478	6,577,623
Transfers Out	1,948,044	115,000	1,292,566	1,293,414
EXPENDITURE TOTALS	\$8,988,129	\$5,873,899	\$7,664,744	\$7,896,737

Expenditures by Fund

FUND	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 ADOPTED	FY 2005 ADOPTED
681 86 BF/TC Tax Allocation Bond	3,533	5,000	5,000	5,000
682 94 Tax Alloc Refund Bond Ser A	1,271,835	1,270,951	1,268,454	1,270,169
683 94 Tax Alloc Refund Bond B&D	539,188	538,969	541,638	538,659
684 94 Tax Alloc Refund Bond Ser C	742,910	744,658	744,870	744,213
685 93 Refunding COP (Ser A '87)	967,198	969,508	964,670	967,598
686 93 COP TCII-Parking Phase II	266,457	265,588	268,263	265,408
687 Cert of Part ABAG 37 Ser A	704,286	700,651	0	0
688 Notes Payable-Cypress Creek Co	122,205	155,862	129,633	130,408
689 2000 Tax Alloc Bond (RDA Proj)	962,518	983,180	987,590	1,201,948
691 Long-term Advances DSF - RDA	3,407,999	239,532	2,754,626	2,773,334
EXPENDITURE TOTALS	\$8,988,129	\$5,873,899	\$7,664,744	\$7,896,737

REVENUES

	FY 2002 ACTUAL	FY 2003 PROJECTED	FY 2004 ESTIMATED	FY 2005 ESTIMATED
Property Taxes	3,078,368	3,538,327	3,542,553	3,507,080
Use of Money & Property	382,284	72,785	116,620	347,620
Transfers In	9,885,743	3,163,938	5,721,632	5,289,346
REVENUE TOTALS	\$13,346,395	\$6,775,050	\$9,380,805	\$9,144,046

Revenues by Fund

FUND	FY 2002 ACTUAL	FY 2003 PROJECTED	FY 2004 ESTIMATED	FY 2005 ESTIMATED
681 86 BF/TC Tax Allocation Bond	5,066	0	3	3
682 94 Tax Alloc Refund Bond Ser A	1,147,403	1,302,851	1,282,961	1,284,676
683 94 Tax Alloc Refund Bond B&D	483,379	555,359	548,239	545,259
684 94 Tax Alloc Refund Bond Ser C	715,092	754,364	755,973	755,316
685 93 Refunding COP (Ser A '87)	958,960	969,508	964,719	967,647
686 93 COP TCII-Parking Phase II	261,224	265,588	268,321	265,466
687 Cert of Part ABAG 37 Ser A	699,113	272,779	661	661
688 Notes Payable-Cypress Creek Co	122,205	155,862	129,633	130,408
689 2000 Tax Alloc Bond (RDA Proj)	1,016,254	996,410	1,001,229	1,198,678
691 Long-term Advances DSF - RDA	7,937,699	1,502,329	4,429,066	3,995,932

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REVENUE TOTALS	\$13,346,395	\$6,775,050	\$9,380,805	\$9,144,046
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